

**NOTES ON THE  
FEMALE LABOR FORCE  
FOR SSA TPAM MEETING  
JANUARY 16, 2015**

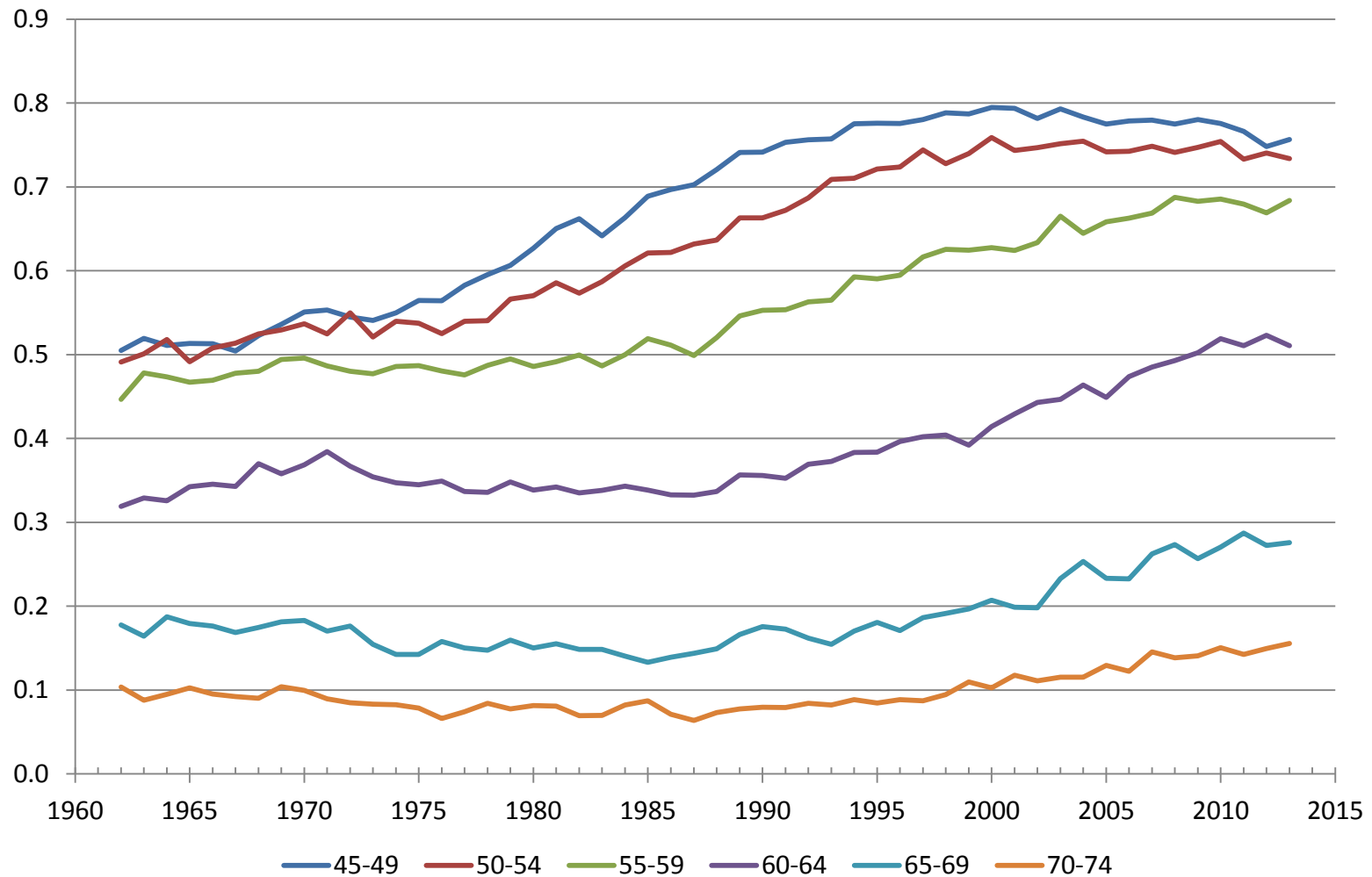
**CLAUDIA GOLDIN**



# Summary

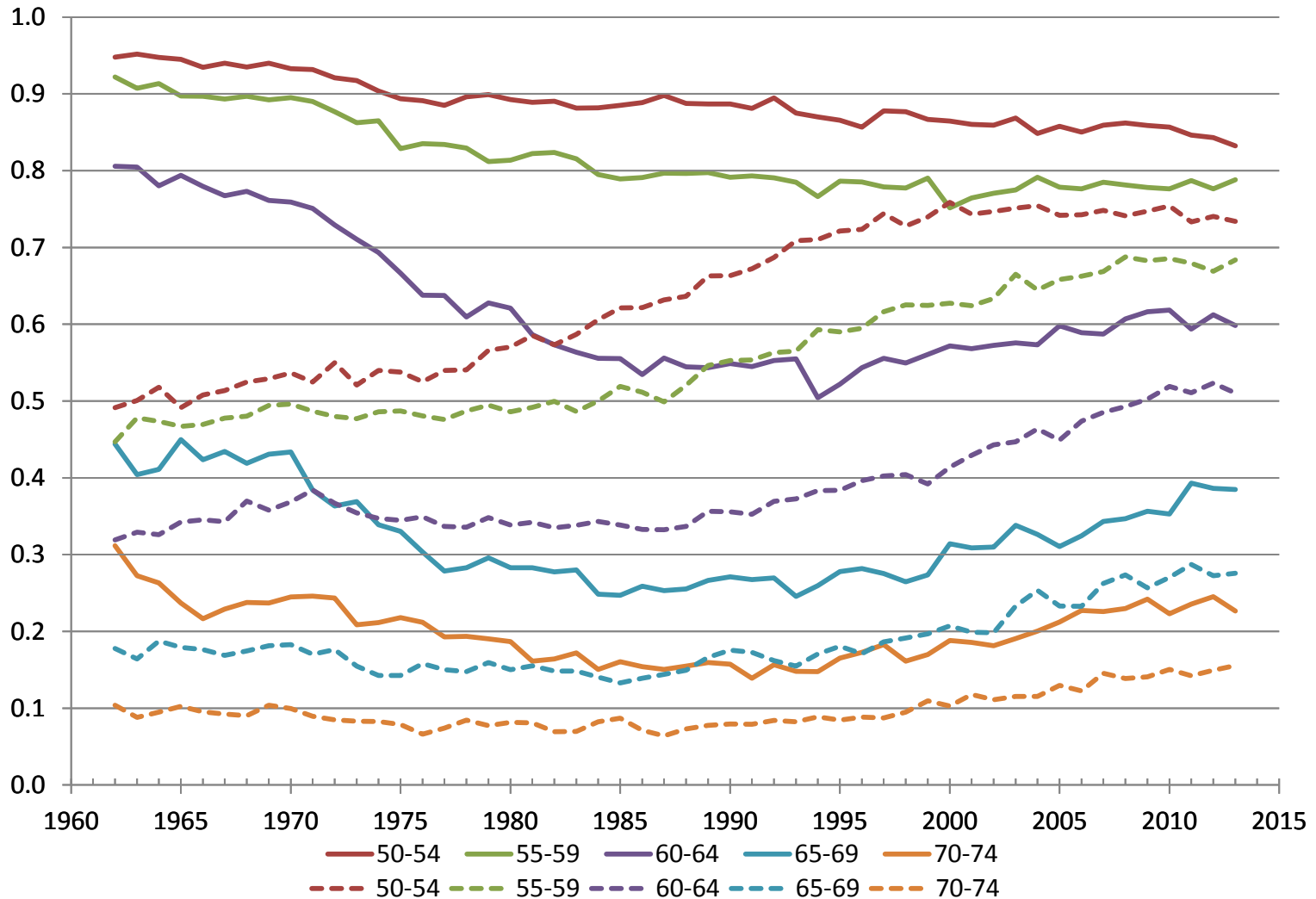
- Extensive margin changes for women
  - By age: increased participation (“women working longer”); narrowing the gender gap in participation at older ages
  - By education level: Higher participation rates for more highly educated and larger increases at older ages
  - By cohort: Reconciling the increase in participation at older ages with the plateau or decrease in mid-life; the puzzling cohort “twists”
- Intensive margin changes: Increase in full-time, year-round work for older women
- Why are “women working longer”?
- International differences
- Implications for forecasts

# All Women, Labor Force Participation Rates by Age Groups, CPS



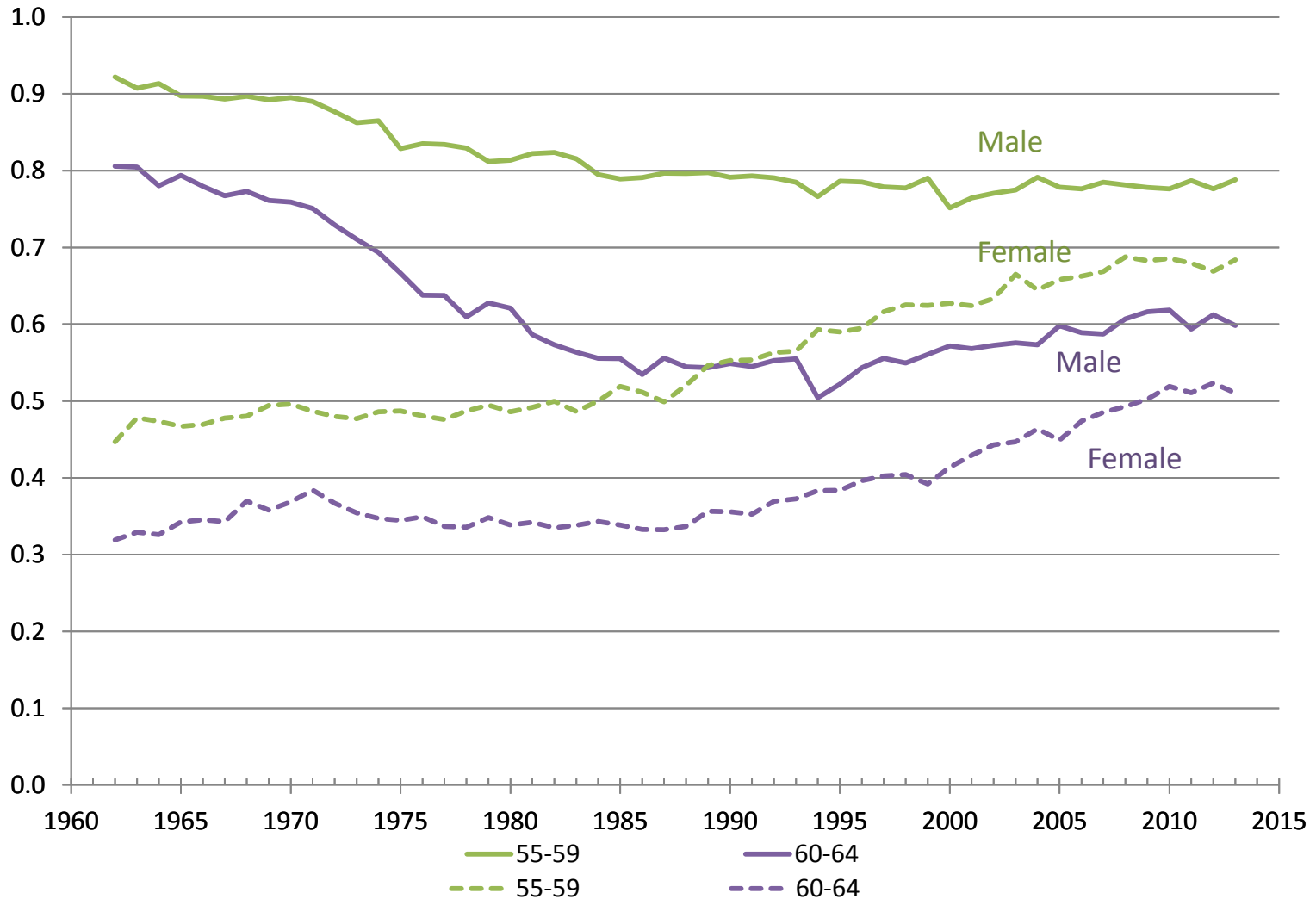
< 55 years: rising, then reaching a plateau, even declining somewhat; > 54 substantial increases after c. 1985

# All M, F Labor Force Participation Rates by Age Groups, CPS



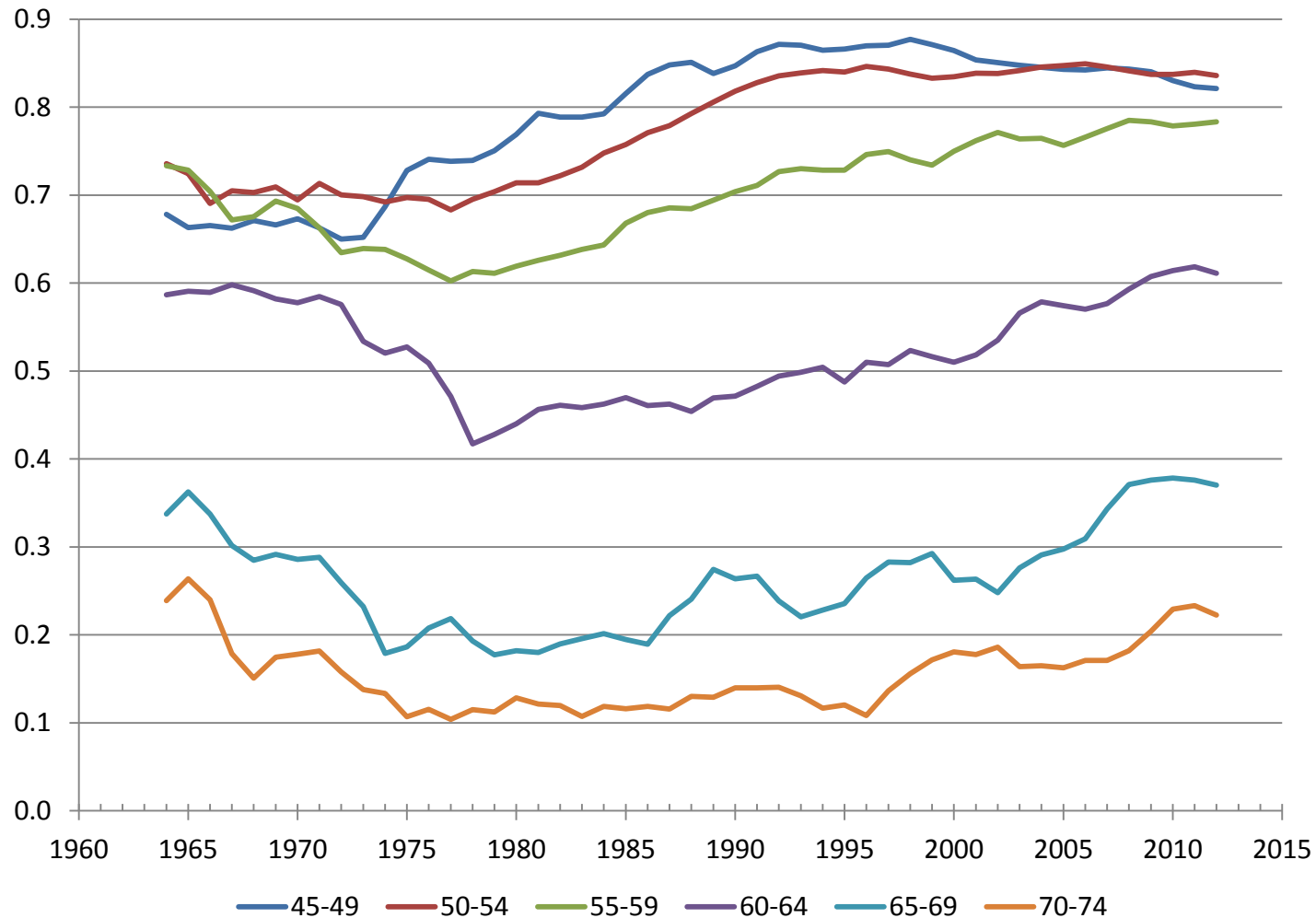
Greatly narrowing differences in participation rates by sex at older ages

# All M, F Labor Force Participation Rates by Age Groups, CPS



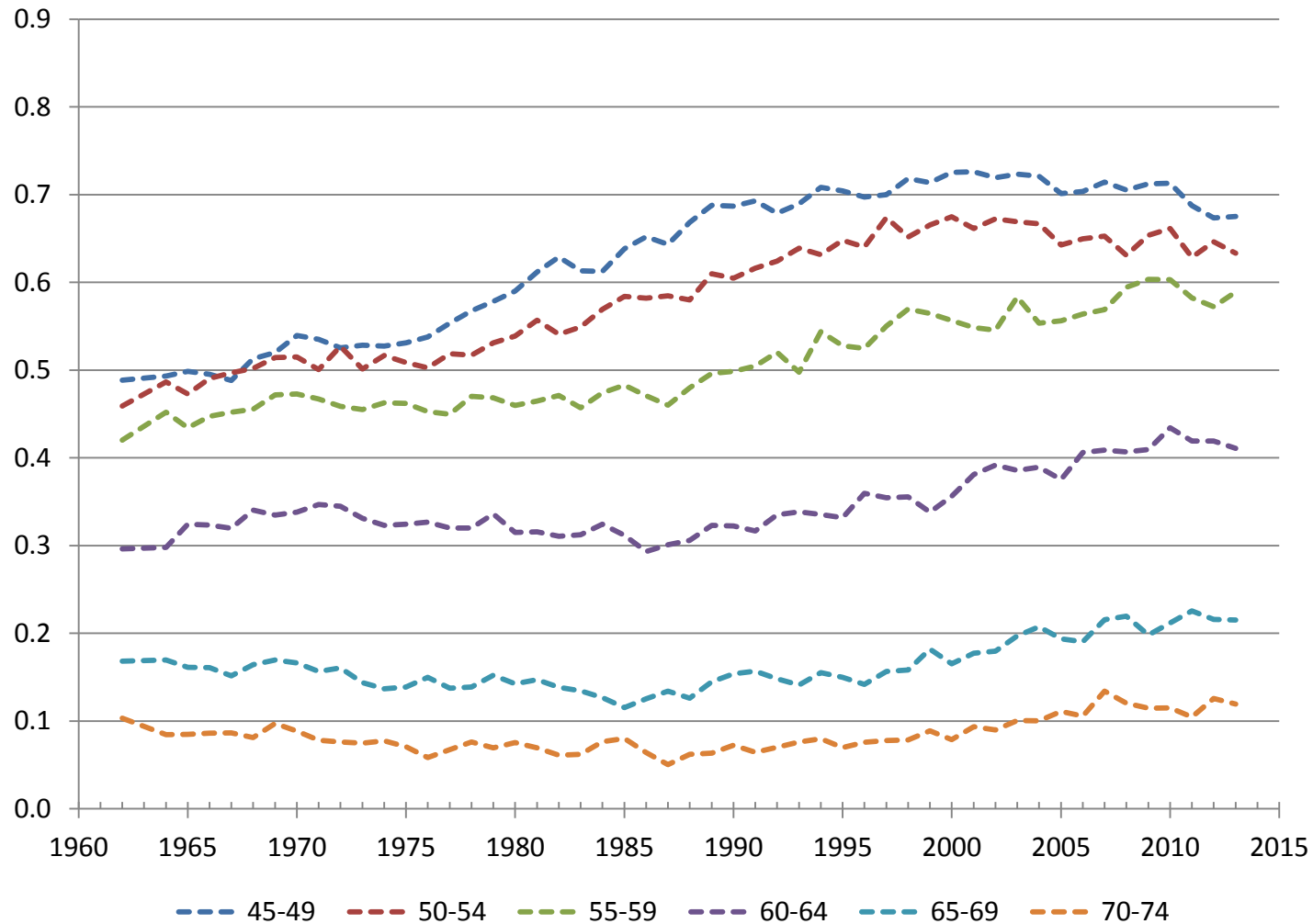
Greatly narrowing differences in participation rates by sex at older ages

# College Graduate (and above) Women, LFP Rates by Age, CPS (three-year centered moving average)

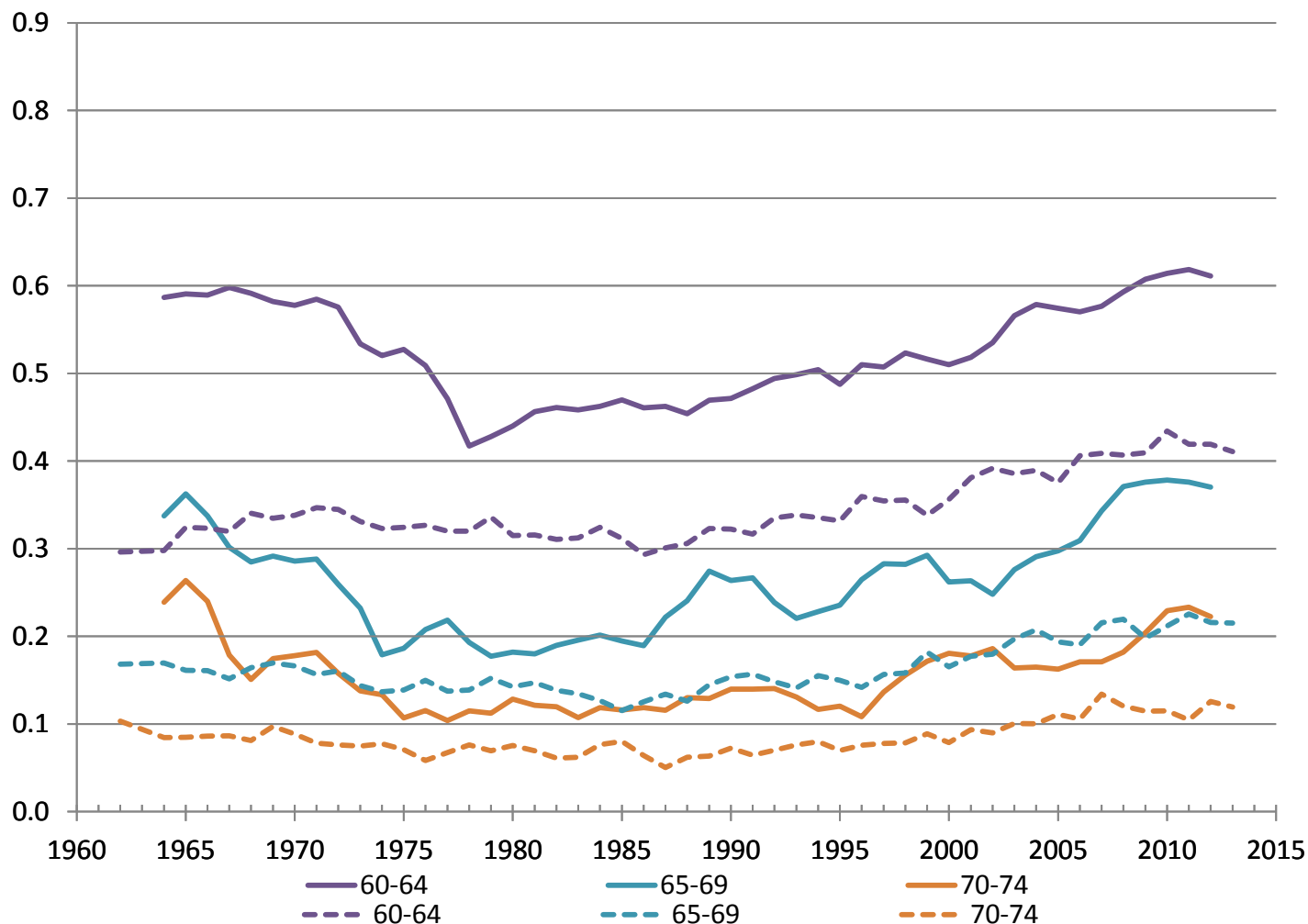


Higher levels for college graduates, decreases for very early cohorts due to marital and child differences.

# HS Graduate (and below) Women, LFP Rates by Age, CPS



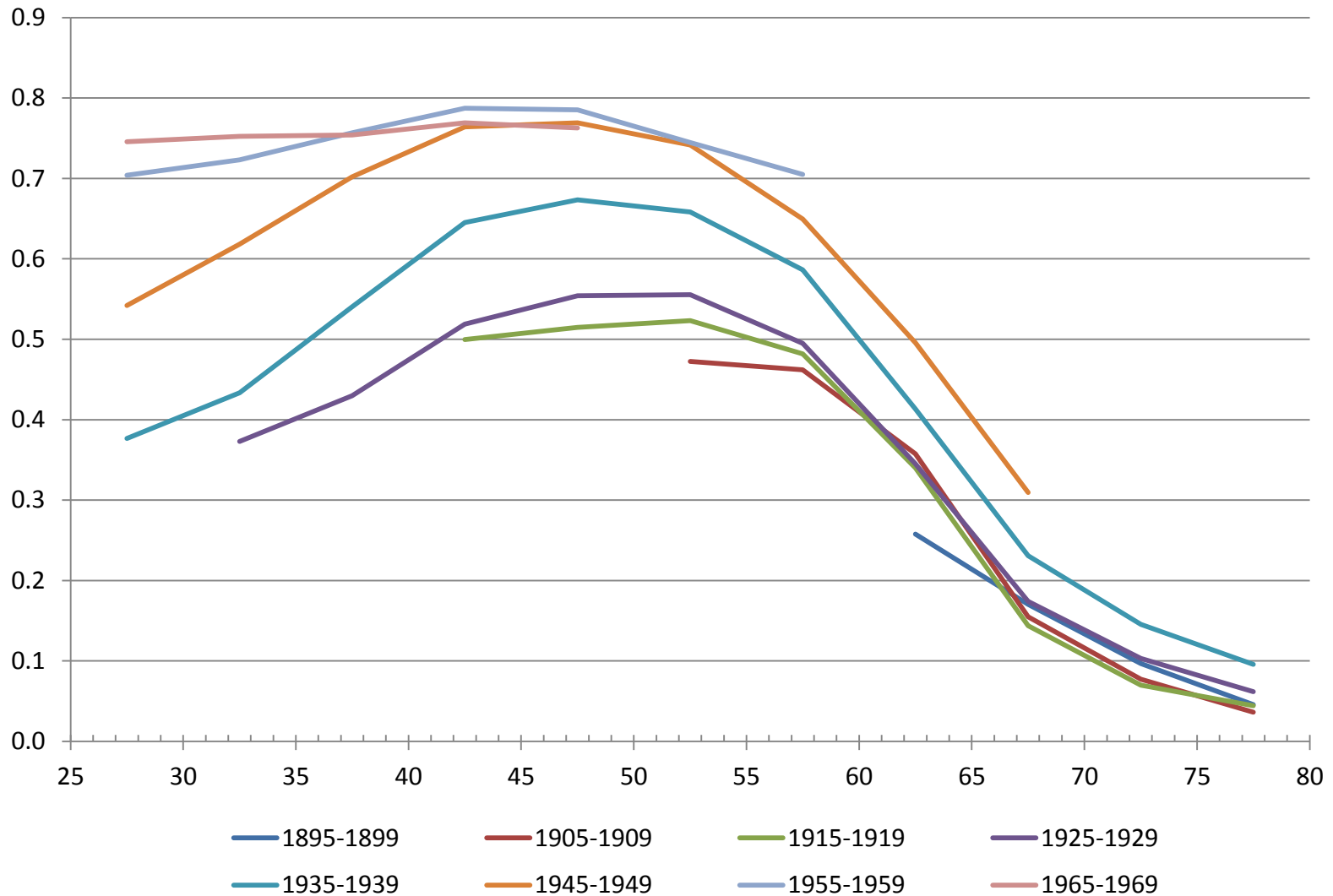
# College Grad+ and HS Grad- Women, LFP Rates by Age, CPS



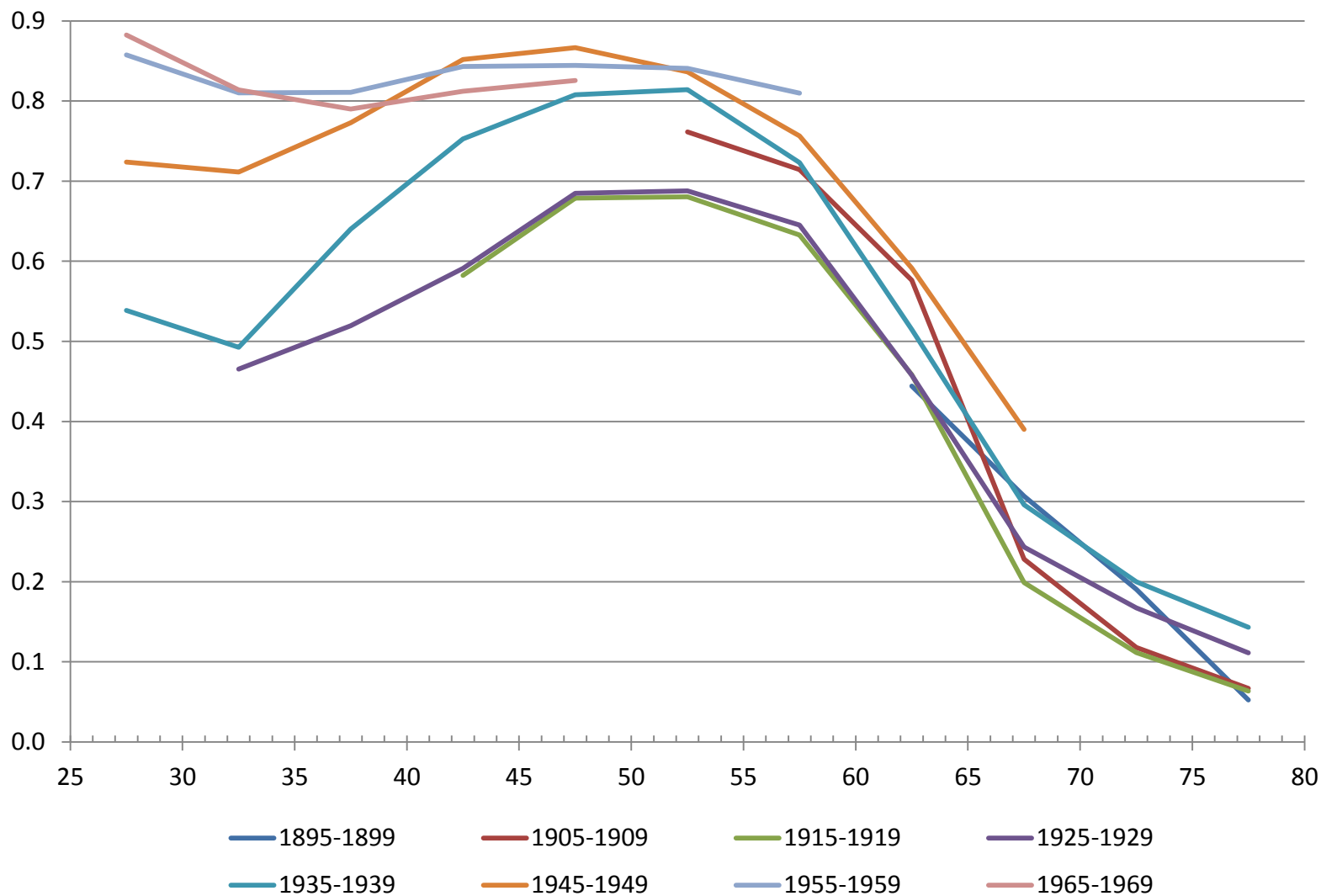
Larger increases for college graduates relative to high school grad and below (for birth cohorts > c.1915).



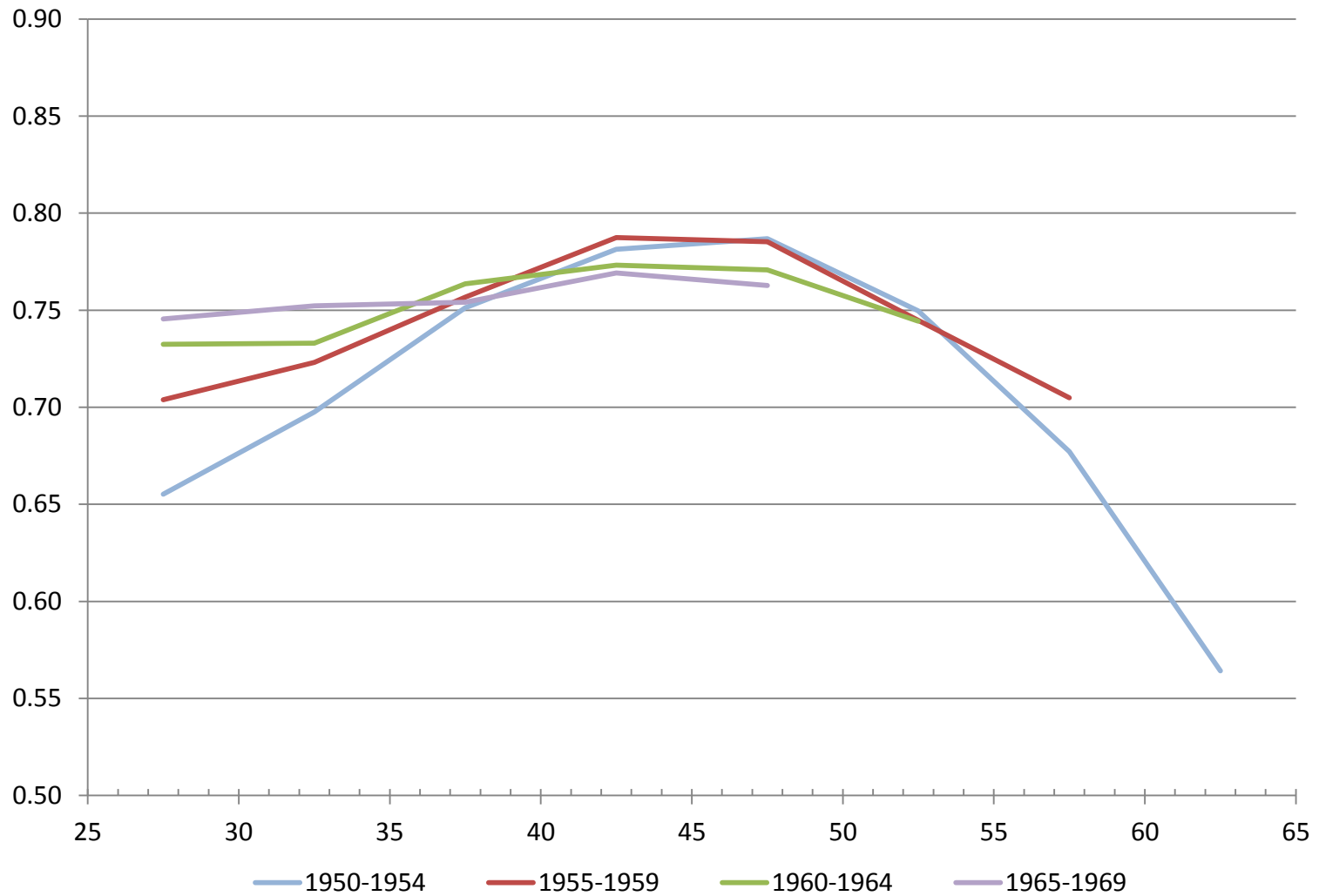
# All Women, Labor Force Participation Rates by Cohort, CPS



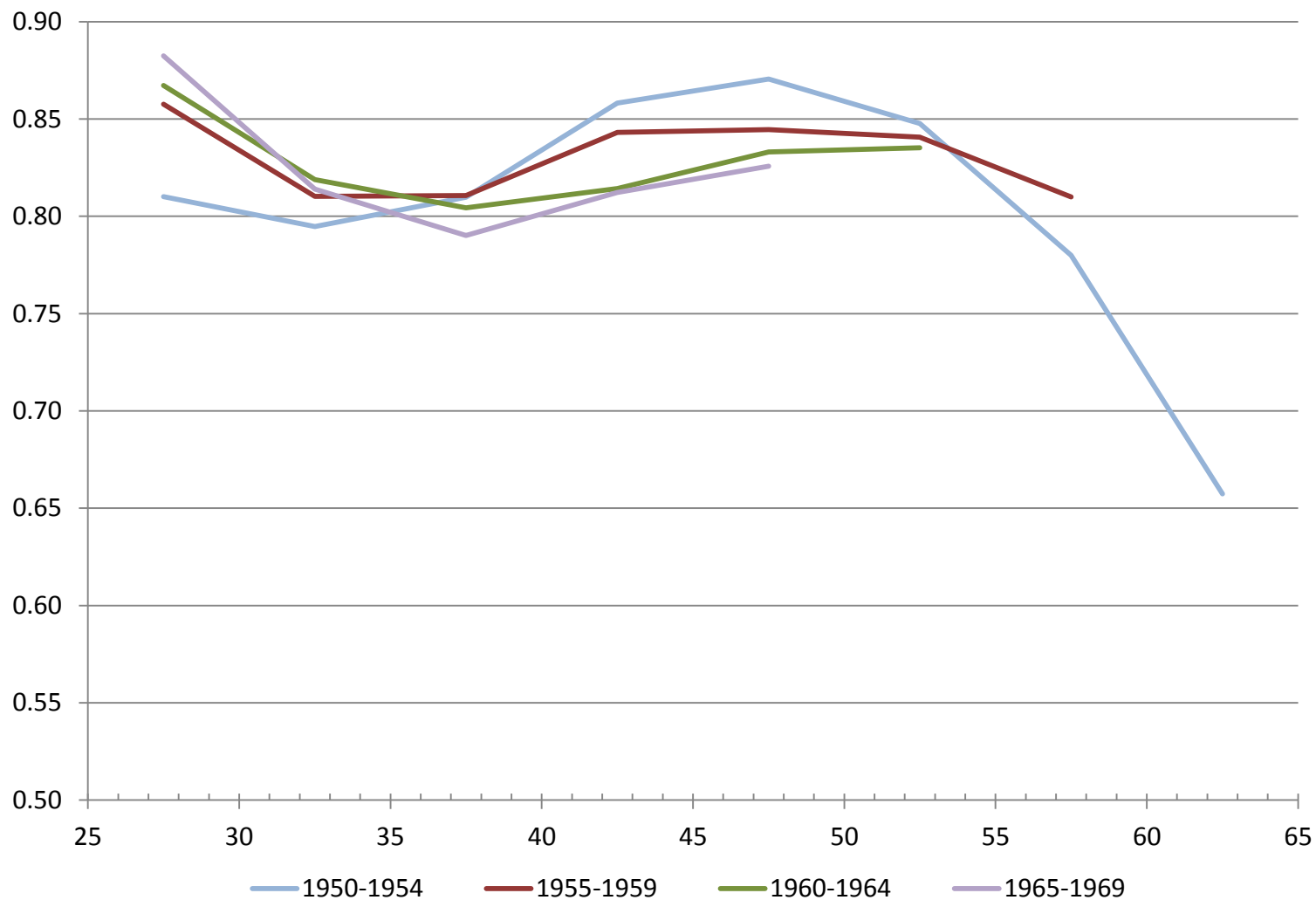
# College Women, Labor Force Participation Rates by Cohort, CPS



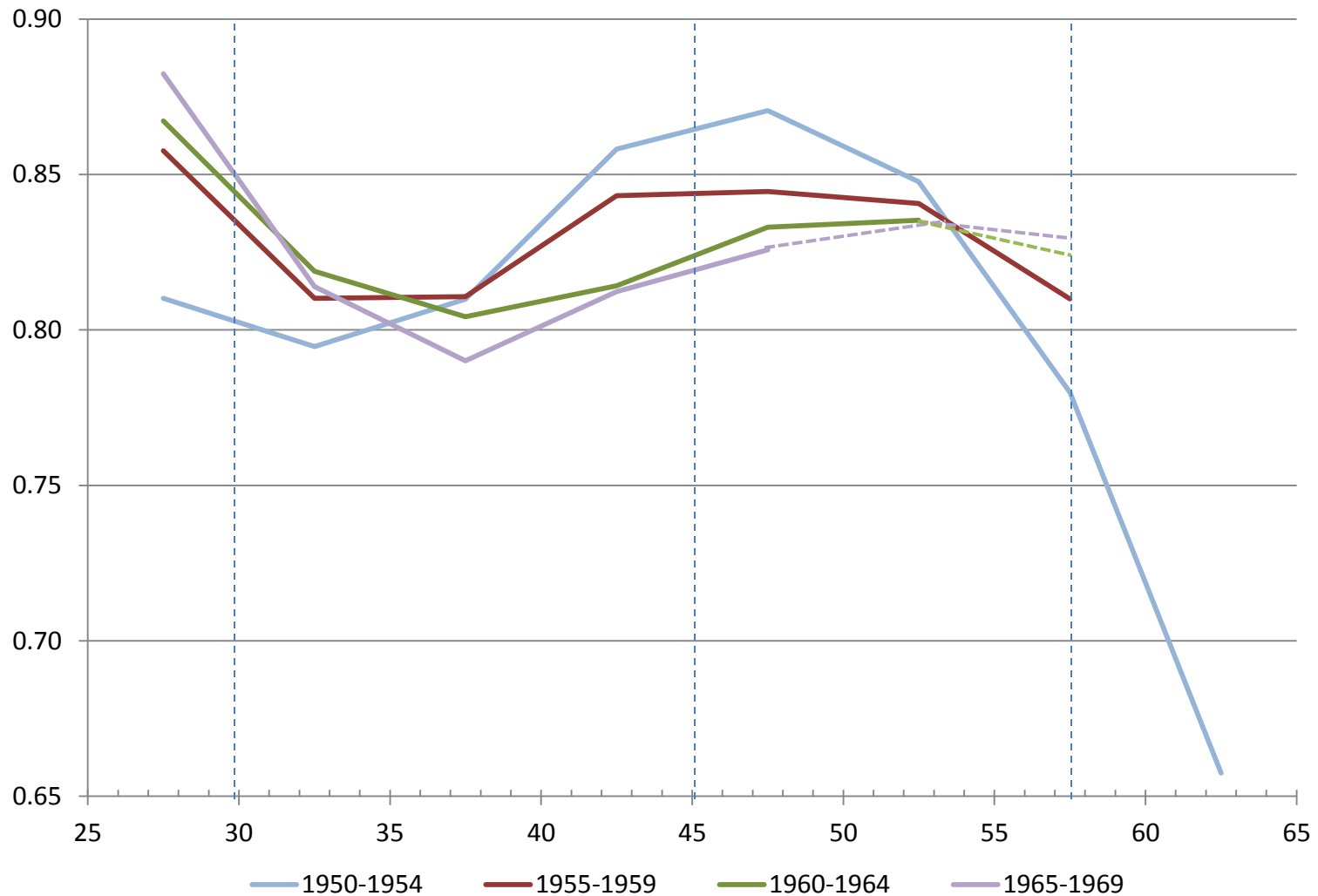
# All Women, LFPR Cohort “Twists”



# College Graduate Women, LFPR Cohort “Twists”

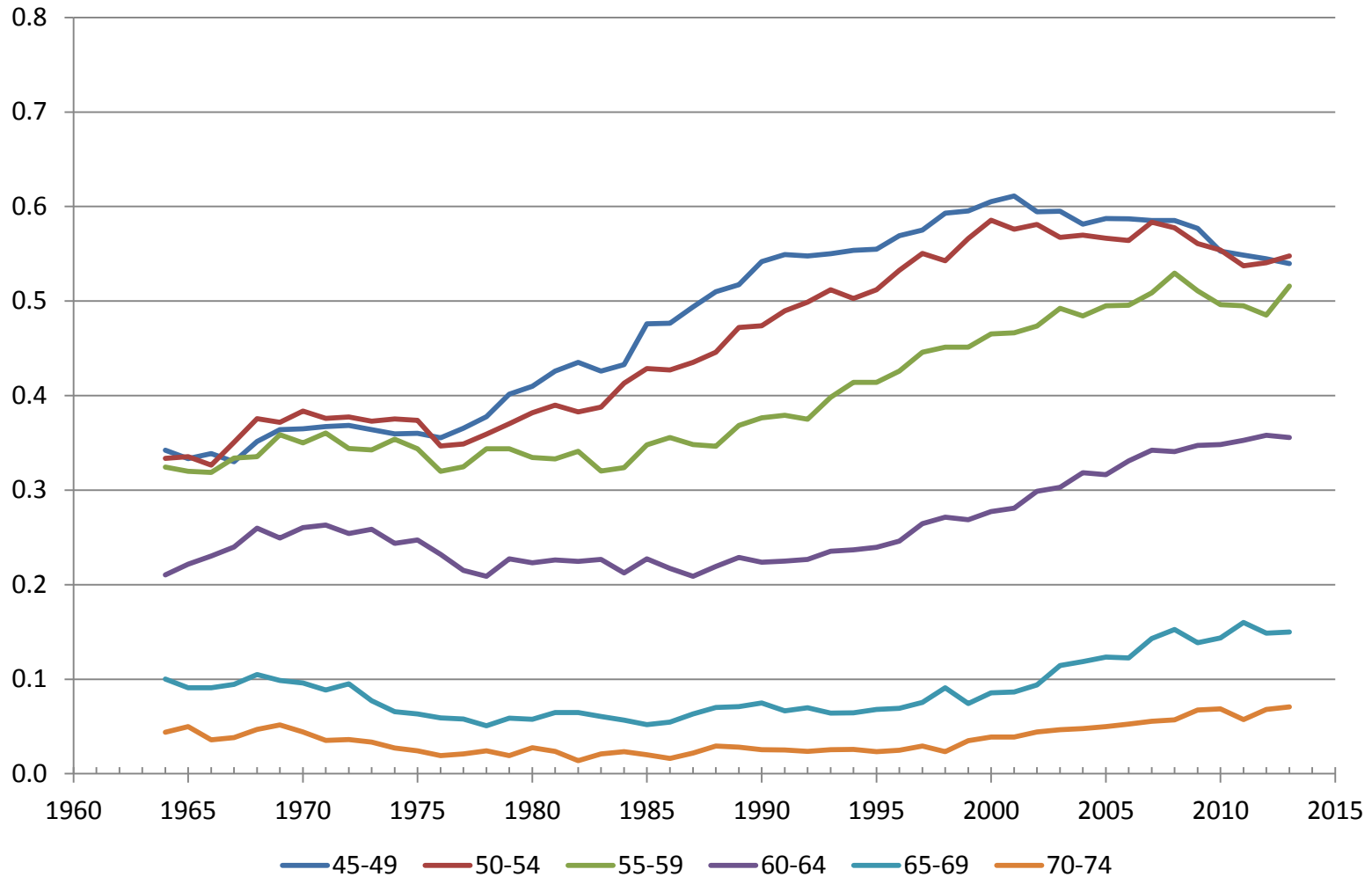


# College Graduate Women, LFPR Cohort “Twists” with “CG Projections”



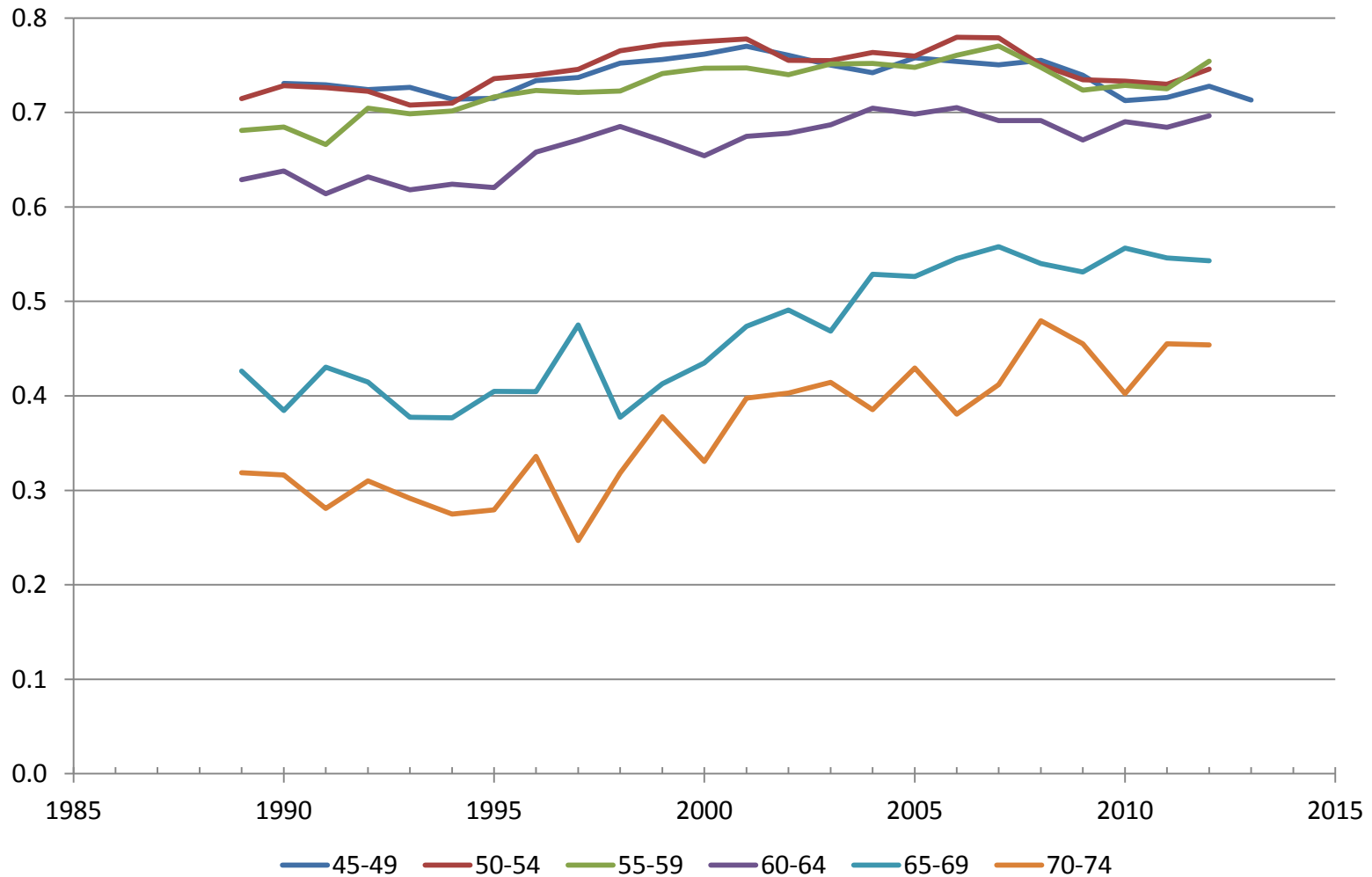
Will cohort differences that existed in their early thirties and then reversed, return again in their fifties?

# All Women, FT-FY Labor Force Participation Rates by Age, CPS



What about the intensive margin? Full-time, full-year has increased greatly along with participation.

# Fraction Full-time, Full-year for All Women by Age Groups, CPS



What about the intensive margin? For the older age groups, the intensive margin has greatly increased.

# Female Labor Force Participation Rates: Changes from 1988 to 2013 (25 years)

Age	Educational Group	Labor Force Participation Rate in		Change from 1988 to 2013 in Percentage Points
		1988	2013	
60-64	All	0.34	0.51	17 %age points
	College graduate	0.45	0.61	16 %age points
65-69	All	0.15	0.28	13 %age points
	College graduate	0.24	0.37	13 %age points
70-74	All	0.07	0.16	9 %age points
	College graduate	0.13	0.21	8 %age points



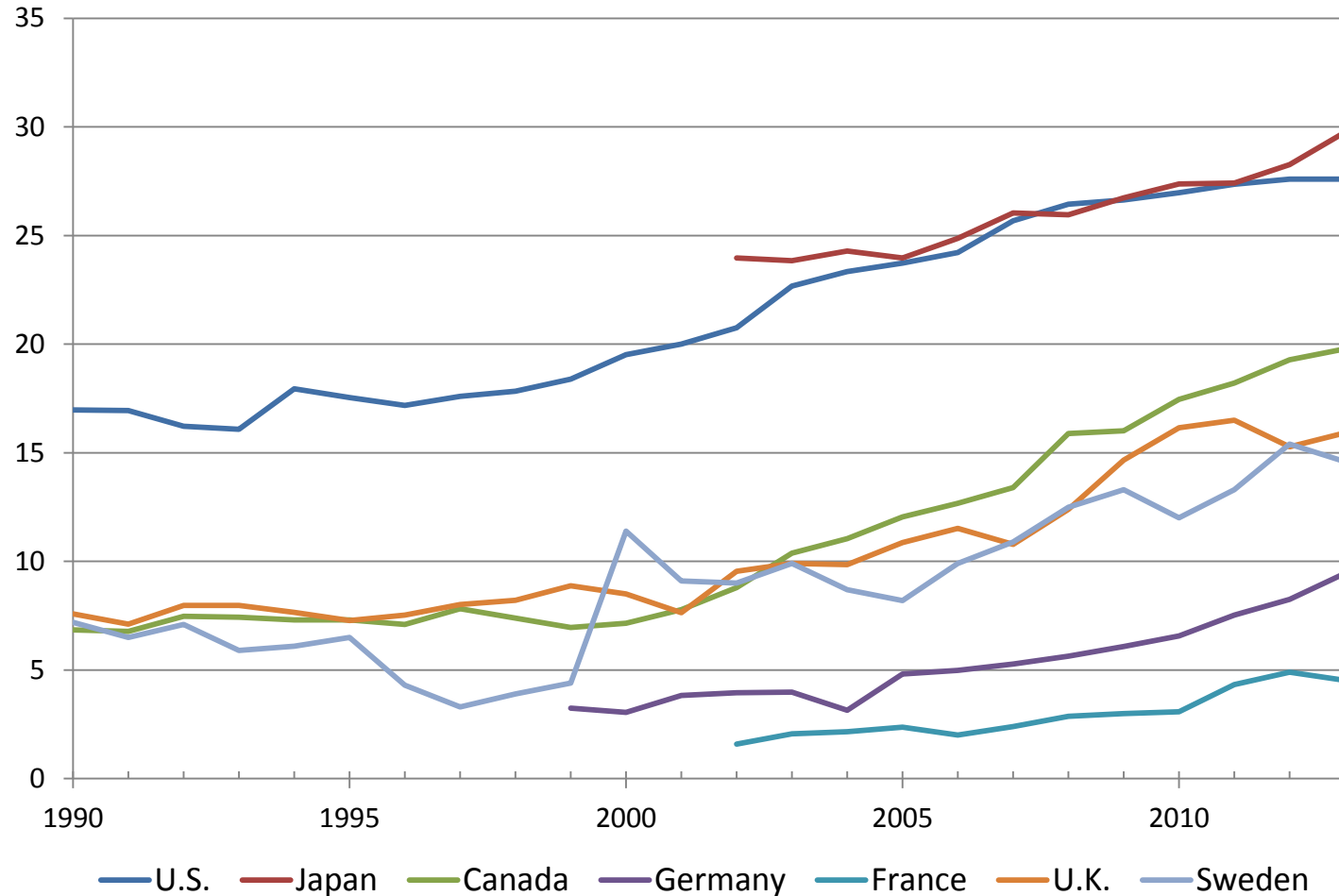
# Male Labor Force Participation Rates: Changes from 1988 to 2013 (25 years)

Age	Educational Group	Labor Force Participation Rate in		Change from 1988 to 2013 in Percentage Points
		1988	2013	
60-64	All	0.54	0.60	6 %age points
	College graduate	0.67	0.72	5 %age points
65-69	All	0.26	0.38	12 %age points
	College graduate	0.40	0.50	10 %age points
70-74	All	0.15	0.23	8 %age points
	College graduate	0.30	0.30	0 %age points

# Why Are Women Working Longer?

- **Family:** Marriage, Divorce, Widowhood, Kids, Grandkids
- **Human Capital:** Occupations, Education, Health
- **Financial Resources:** Savings, Pensions, Insurance, Financial Literacy
- **Retirement Institutions and Policy:** End of Mandatory Retirement, Changes in SS Earnings Test, Age of Full Retirement Benefits

# Female Labor Force Participation Rates: 65-69 Years Old, Seven Countries (OECD)



Source: [http://stats.oecd.org/Index.aspx?DataSetCode=LFS\\_SEXAGE\\_I\\_R#](http://stats.oecd.org/Index.aspx?DataSetCode=LFS_SEXAGE_I_R#)